

REMARKS

The foregoing Amendment and the following Remarks are submitted in response to the Office Action mailed April 1, 2005 in connection with the above-identified application and are being filed within the three-month shortened statutory period set for a response by the Office Action.

Claims 82, 85, 86, 88, 89, and 91-97 remain pending in the present application. Claims 84, 87, and 90 have been canceled, and claims 82 and 96 have been amended to include clarifying subject matter. Applicant respectfully submits that no new matter has been added to the Application by the Amendment.

Applicant respectfully requests reconsideration and withdrawal of the rejection of the application, consistent with the following remarks.

The Examiner has rejected claims 82, 85, 86, 88, 89, 91, 93, 96, and 97 under 35 USC § 103(a) as being obvious over Schull (U.S. Patent No. 6,266,654) in view of Koppelman et al. (U.S. Patent No. 6,662,164). In addition, the Examiner has rejected claim 92 under § 103(a) as being obvious over the Schull and Koppelman references and further in view of Krishnan et al. (U.S. Patent No. 6,073,124), and has rejected claims 94 and 95 under § 103(a) as being obvious over the Schull and Koppelman references and further in view of Powell (U.S. Patent Disclosure No. 2001/0032189). Applicant respectfully traverses the § 103(a) rejections.

Independent claim 82 as amended recites a method of issuing digital licenses from a licensor for a corresponding piece of digital content, where the content was originally issued by a retailer. In the method, a plurality of transactions are performed. In each transaction, the licensor receives a first license request for a first license from a first customer

in connection with the content, where the first customer has received a copy of the content from the retailer. The first request includes retailer information associated with the corresponding piece of digital content and identifying the retailer. The licensor receives a payment from the first customer in connection with the first license request, retrieves the retailer information from the first license request and identifies the retailer therefrom, and credits the identified retailer for a portion of the payment received in connection with the first license request.

The licensor then receives a second license request for a second license from a second customer in connection with the content, where the second customer received a copy of the content from the first customer. The second request includes first customer information associated with the corresponding piece of digital content and identifies the first customer. The licensor receives a payment from the second customer in connection with the second license request, retrieves the first customer information from the license request and identifies the first customer therefrom, and credits the first customer for a portion of the payment received in connection with the second license request.

Claim 82 also recites that crediting the first customer comprises recording the first customer information in a centralized database for accounting purposes. The database includes an entry for each first customer information, where each entry includes a count for counting the number of times a license has been issued for the specific first customer information combination. In particular, such recording comprises finding the first customer information entry in the database corresponding to the first customer information of the second request, or creating such sub-entry if none is present, and incrementing the count in such entry.

Thus, over the plurality of the transactions, the count in the entry is accumulated. Accordingly, and in the method, the portions of the payments are provided to the first customer based on the accumulated count.

Independent claim 96 as amended recites substantially the same subject matter as claim 82, albeit with a single customer making the first and second license requests.

The Schull reference discloses a method for tracking software lineage, whereby a piece of software self-tracks to whom such piece of software is copied. As was pointed out by the Examiner, the Schull reference at about column 7 thereof most relevantly discloses that it would be advantageous to offer purchasers a commission on sales derived from their own purchased copy of a given product. This would encourage users to purchase the product, pass it to other potential purchasers, post it, publicize it, and recommend it on bulletin board systems where it is likely to be discovered or downloaded, and so on. It would also provide a way of offering existing purchasers a discount when they buy second or third copies for use on additional computers. Thus, when a Customer A purchases a copy, his name, address etc is collected along with the Variable Portion data which individuates his particular purchased copy. If subsequent purchases involve new genomes which differ from Customer A's genomes by only one bit, they will be recognizable as first-order derivatives of Customer A's copy; if a new genome is registered which differs by two bits, it will be recognizable as a second order derivative, and so on. Commissions can thus be paid to successful redistributors on a regular basis, and under a variety of terms and conditions which might be specified in the promotional language embedded in the product itself.

The Schull reference does recognize that a first customer might be awarded an incentive based on a purchase by a second customer as derived from such first customer.

Moreover, the Schull reference does note that collected Variable Portion data may be accumulated in a central database for analysis and research purposes.

However, and significantly, and as the Examiner recognizes, the Schull reference does not recognize that a first customer may be credited by recording the first customer information in a database for accounting purposes, where the database includes an entry for each first customer information, and where each entry includes a count for counting the number of times a license has been issued for the specific first customer information combination, as is required by claims 82 and 96. Thus, the Schull reference does not recognize that such recording should or could comprise finding the first customer information entry in the database corresponding to the first customer information of the second request, or creating such sub-entry if none is present, and incrementing the count in such entry, as is also required by claims 82 and 96. Additionally, the Schull reference does not recognize that over a plurality of the transactions, the count in such an entry is accumulated, or that the portions of the payments can be provided to the first customer based on the accumulated count, as is further required by claims 82 and 96.

Nevertheless, the Examiner argues that the Koppelman reference teaches such features. The Koppelman reference in fact discloses a system for determining the commission to be paid to a sales representative or sales team, where such system includes defined allocation rules, quotas, promotions, and the like. Significantly, such sales representative or team is not a customer that has obtained / licensed content, as is required by claims 82 and 96, and in fact the Koppelman reference does not at all appreciate that a such sales representative or team should or could be providing licenses for content, as is required by claims 82 and 96.

More significantly, although the Examiner argues that the Koppelman reference appreciates crediting the sales representative or team for certain commission sales, such crediting is not at all disclosed or even suggested as being done by performing a plurality of transactions, where in each transaction a licensor records a first customer information in a database for accounting purposes, where the database includes an entry for each first customer information, and where each entry includes a count for counting the number of times a license has been issued for the specific first customer information combination, all as required by claims 82 and 96. Thus, and again, the Koppelman reference does not at all recognize or appreciate that such recording should or could comprise finding the first customer information entry in the database corresponding to the first customer information of the second request, or creating such sub-entry if none is present, and incrementing the count in such entry, as is required by claims 82 and 96. Likewise, the Koppelman reference does not at all recognize or appreciate that over a plurality of the transactions, the count in such an entry is accumulated, or that the portions of the payments can be provided to the first customer based on the accumulated count, as is further required by claims 82 and 96.

Nevertheless, the Examiner argues that incrementing counts in entries in the manner set forth in claims 82 and 96 is inherently disclosed in the Koppelman reference for the reason that each time a sales event occurs for a Koppelman agent, a counter must be updated to determine when the agent has reached [his] goal. Applicant respectfully disagrees, and instead points out that Koppelman in fact discloses no such counter, and that other non-counter devices may be employed in connection with the Koppelman reference to track an agent goal.

More significantly, and at any rate, Applicant respectfully submits that the argument of inherency as set forth by the Examiner is improper. In particular, Applicants respectfully point out that it is not enough that a device such as the aforementioned counter could be present in the Koppelman reference. Instead, the Examiner must point to a specific teaching or suggestion in the cited reference that would in fact provoke one skilled in the art to in fact include the device. The Examiner has failed to do so.

Moreover, Applicant also respectfully directs the Examiner's attention to MPEP § 2112. In particular, at such section, the MPEP discusses that the issue of inherency was recently addressed by the U.S. Court of Appeals for the Federal Circuit in In re Robertson, 49 U.S.P.Q.2D (BNA) 1949 (Fed. Cir. 2/25/1999) (Appealed from Patent and Trademark Office Board of Patent Appeals and Interferences). As noted in Robertson, anticipation under § 102 requires that each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference.

If the prior art reference does not expressly set forth a particular element of the claim, that reference still may anticipate if that element is "inherent" in its disclosure. To establish inherency under Section 102, though, extrinsic evidence "must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill." Continental Can Co. v. Monsanto Co., 948 F.2d 1264, 1268, 20 U.S.P.Q.2D (BNA) 1746, 1749 (Fed. Cir. 1991). Inherency may not be established by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient. *Id.* at 1269, 20 U.S.P.Q.2D (BNA) at 1749. According to Robertson, then, a finding of anticipation by inherency requires an attempt based on extrinsic evidence to show that the missing elements

are "necessarily" disclosed, and that an artisan of ordinary skill would so recognize.

Inherency is not established by what could, should, or might happen or occur or be present.

According to Robertson, then, inherency is to be found only in connection with a rejection under Section 102, and not under Section 103. For this reason alone, such inherency argument should be withdrawn in connection with the present Section 103 rejection.

Moreover, and at any rate, in setting forth the inherency argument and in arguing same, the Examiner cited no such extrinsic evidence, and made no attempt based on any such extrinsic evidence to show that it would be inherent to increment counts in entries in the manner set forth in claims 82 and 96. Also, the Examiner made no attempt based on any such extrinsic evidence to show that an artisan of ordinary skill would recognize any such necessity to increment any such count in connection with the Koppelman reference.

As a result, Applicants respectfully submit that the Examiner has not made a proper finding of inherency that would support the present § 103 rejection.

Thus, and for all of the aforementioned reasons, Applicant respectfully submits that neither the Schull nor the Koppelman references, alone or combined, disclose or suggest the subject matter recited in claims 82 and 96 as amended. Accordingly, and for all the aforementioned reasons, Applicant respectfully submits that the Schull reference and the Koppelman reference cannot be applied to make obvious such claims 82 and 96 or any claims depending therefrom, including claims 85, 86, 88, 89, 91, 93, 96, and 97. Further, Applicant respectfully submits that since independent claim 82 has been shown to be non-obvious, then so too must all claims depending therefrom be non-obvious, including claims 92, 94 and 95,

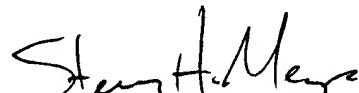
DOCKET NO.: MSFT-0179/150657.1
Application No.: 09/671,643
Office Action Dated: April 1, 2005

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at least by their dependency. Thus, Applicant respectfully requests reconsideration and withdrawal of the § 103(a) rejections.

In view of the foregoing Amendment and discussion, Applicant respectfully submits that the present application is in condition for allowance, and such action is respectfully requested.

Respectfully submitted,



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Date: June 27, 2005

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